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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/681,370	03/26/2001	Andrew J. Kramer	85ER-00112	3253

7590 06/29/2005

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St Louis, MO 63102

EXAMINER

MORGAN, ROBERT W

ART UNIT	PAPER NUMBER
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3626

DATE MAILED: 06/29/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/681,370

Applicant(s)

KRAMER, ANDREW J.

Examiner

Robert W. Morgan

Art Unit

3626

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☐ Responsive to communication(s) filed on ____.
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-12 is/are pending in the application.
- 4a) Of the above claim(s) ____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) ____ is/are allowed.
- 6) ☒ Claim(s) 1-12 is/are rejected.
- 7) ☐ Claim(s) ____ is/are objected to.
- 8) ☐ Claim(s) ____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on ____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. ____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date 6/1/01.
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. ____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: ____.

DETAILED ACTION

Information Disclosure Statement

1. The information disclosure filed 6/1/01 has been acknowledge and entered in the application.

Claim Rejections - 35 USC § 101

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3. Claims 1-12 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two-prong test of:

- (1) whether the invention is within the technological arts; and
- (2) whether the invention produces a useful, concrete, and tangible result.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts.

In the present case, claims 1-12 recite an abstract idea only. The claims recite a process for auditing underwriting decision made by an underwriter relating to an application to an insurer for insurance. This process comprising steps and means do not apply, involve, use, or advance

Art Unit: 3626

the technological arts since they can be performed in the mind of the user or by use of a pencil and paper. These steps and means only constitute an idea of how to audit underwriting decision made by an underwriter.

In addition, for a claimed invention to be statutory, it must produce a useful, concrete, and tangible result. In the present case, the claimed invention produces a process completed by an expert underwriter that scores an underwriter decisions and determines whether the underwriter has deviated from the rules and guidelines established for a particular insurer.

Although the recited process produces a useful, concrete, and tangible result, since the claimed invention, as a whole, is not within the technological arts as explained above, claims 1-12 are deemed to be directed to non-statutory subject matter.

Claim Rejections - 35 USC § 112

4. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claim 1-4, 8 and 10 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The phrases "...deviate from the rules..." and "...deviate(d) from established requirements..." are unclear as to what the rules are? And what a deviation of rule would be? For examination purposes the Examiner has treated the phrases "...deviate from the rules..." and "...deviate(d) from established requirements..." as any differences from industry guidelines and rules when issuing insurance policies.

Claim Rejections - 35 USC § 103

Art Unit: 3626

5. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

6. Claims 1-12 are rejected under 35 U.S.C. 103(a) as being unpatentable over Applicant's admitted prior art in the "Background of the Invention" section in view of "Re rendezvous eyes pricing science" by Howard.

As per claims 1-12, Applicant admits that it is known in the prior art to when using existing underwriting audit processes for the auditor to obtain and review an underwriter's file. The auditor then evaluates whether the file indicates that the investigative work-up by the underwriter was complete and in compliance with established norms for obtaining necessary information. If the investigative work-up is not in compliance with established requirements, the auditor reports the investigative work-up as defective. If the investigative work-up is in compliance with established requirements, it is reported as appropriate. In addition, Applicant also admits that the underwriter then evaluates whether the underwriting was appropriate. Such a decision is limited to whether or not the offered rate is within established company norms based upon known risk factors, or within an acceptable range of rates. If the rate at which the policy was offered was not within established rates or the acceptable range, then the underwriting is reported as defective. If the rating is within the acceptable range of the norms then the underwriting is reported as appropriate. (see: paragraphs 11 and 12 of the Applicant's specification).

Art Unit: 3626

Applicant fail to teach in the admitted prior art a determination that the underwriting decision does deviate from the rules, determining whether the underwriter made a business decision to deviate from the rules and whether the underwriter documented that a business decision to deviate from the rules was made and

Howard teaches an expert system that is an essential tool for underwriter who need to find a balance between the art and the science of reinsurance pricing (see: paragraph 1). In addition, Howard teaches that the main function of the expert system in reinsurance pricing is to extract and analyze historical and prospective data from a variety of internal and external system, which allow the underwriter to make better pricing decision (see: paragraph 3). Furthermore, Howard teaches that the expert system brings the underwriter back to “the straight and narrow in terms of corporate underwriting policy and requires that any deviations or unusual decisions are explained and documented within the system (see: paragraph 16). Moreover, Howard teaches that the system documents the underwriter’s logic and provides an audit trail (see: paragraph 17).

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to include an expert system as taught by Howard within the Applicant’s admitted prior art with the motivation of providing an ability to handle very complex complications while still preserving commercial flexibility (see: Howard: paragraph 2).

Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

In related art (Comparative file reviews: Still the best) Carrozza teaches basis steps for successful file review for underwriter such as understanding credit policy and product standards.

Art Unit: 3626

In related art (6,484,010) Sheehan teaches a method for diagnostic assessment and proficiency scaling of test results.

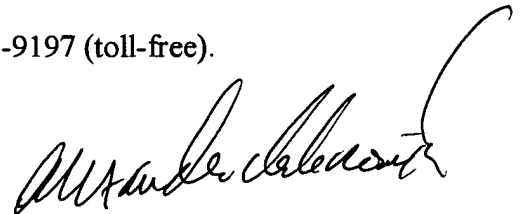
In related art (6,556,974) D'Alessandro discloses a system for provide accurate, quantifiable and reproducible assessment of an organization's performance based on predetermined criteria.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Robert W. Morgan whose telephone number is (571) 272-6773. The examiner can normally be reached on 8:30 a.m. - 5:00 p.m. Mon - Fri.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Joseph Thomas can be reached on (571) 272-6776. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

rwm



ALEXANDER KALINOWSKI
PRIMARY EXAMINER